

**Texas House Committee on Transportation**  
**Notice of Formal Request for Information**  
**August 17, 2020**

***Inquiry 1: How has the COVID-19 pandemic affected state agencies, interested parties and the public as it relates to transportation matters?***

**Written Submission of the Port of Houston Authority of Harris County, Texas**  
**By Roger Guenther, Executive Director**  
**September 18, 2020**

Thank you for the opportunity to address this inquiry as this committee studies our state's transportation infrastructure. My name is Roger Guenther and I am the Executive Director of the Port of Houston Authority.

Maritime commerce through the Houston Ship Channel is a critical engine for the State of Texas, generating \$339 billion in statewide economic value and 1.35 million Texas jobs. This Texas waterway, home to the busiest port in the nation, is also critical to its economic and energy security, creating \$802 billion in economic value, three million jobs, and \$38 billion in local, state, and federal tax revenue each year.

The Houston Ship Channel and greater port complex includes some of the largest refineries in the country, the nation's largest petrochemical manufacturing industry, and facilities that handle nearly 70% of container cargo in the U.S. Gulf. It is the largest port in the top exporting state in the U.S. as well.

COVID-19 has presented challenges in 2020 to our nation, state, and region, and neither our channel industries nor the Port of Houston Authority have been immune to the effects of the pandemic. The environment in which we live and work rapidly changed beginning in March, but maritime commerce remains essential and our port has continued at work. As we have taken measures to protect health and safety in our work environment, the dedicated essential workers required to be on site each and every day have maintained our maritime trade without interruption, and so I am fortunate to report that the public facilities at the Port of Houston supporting general cargo and container activity have remained open and extremely functional.

The health and safety of our workers has been our top priority but that does come with a price tag. Preventive measures for on-site essential personnel, including temperature screening for anyone entering our facilities, contracts for regular and frequent facility cleaning and sanitizing, personal protective equipment, and social distancing measures, have totaled in the millions of dollars for Port Authority facilities alone. We will continue to adhere to strict procedures for the protection of our employees and all users of our facilities, to prevent further spread of the virus and to keep freight moving.

The COVID-19 crisis has also brought major regional economic costs. While hydrocarbon exports, petrochemical trade, and container activity have all suffered to varying degrees since March, there are positive signs of recovery in the last several weeks.

Port of Houston Authority cargo activity has been significantly affected on the general cargo and breakbulk side – cargos including steel, vehicles, and heavy machinery, among other things. These public facilities, that largely support steel pipe and project cargo imports related to the energy sector, are down as much as 50% in 2020 versus the prior year.

After a very robust beginning to 2020, with container activity up by 25% in January and February, the effects of the pandemic sharply hit those terminals beginning in March. Container cargo fell as much as 15% during the months of April through July, as imports of retail goods and exports of plastic resins and petrochemicals dropped dramatically. However, we have recently seen a strong recovery, especially in all import trade lanes, and are hopeful for a strong fourth quarter in 2020.

Thank you for the opportunity to provide this submission.